

State of Iowa - Return on Investment Program / IT Project Evaluation**SECTION 1: PROPOSAL**

Tracking Number (For Project Office Use)

Project Name: E-CommerceDate: 09/29/2000Agency Point of Contact for Project: Joe Finnegan, Bureau Chief for Child Welfare Information Systems, Department of Human ServicesAgency Point of Contact Phone Number / E-mail: 242-5343 / jfinneg@dhs.state.ia.usExecutive Sponsor (Agency Director or Designee) Signature: _____
Steve Mosena, AdministratorIs this project necessary for compliance with a Federal standard, initiative, or statute? (If "Yes," cite specific requirement, attach copy of requirement, and explain in Proposal Summary) ☐ Yes ☒ NoIs this project required by State statute? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ NoDoes this project meet a health, safety or security requirement? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ NoIs this project necessary for compliance with an enterprise technology standard? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ NoDoes this project contribute to meeting a strategic goal of government? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ NoIs this a "research and development" project? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No**PROPOSAL SUMMARY:**

- 1. Pre-project description:** The Department of Human Services (DHS) touches the lives of 680,000 Iowans daily. We provide a wide range of services in every county at well over 100 different physical locations. Currently, not every office provides every one of our services and most services are provided only on weekdays, during the day. The concentration of state resources also varies in each location and between rural and urban areas.

Citizens are required to physically go to the appropriate office during normal state work hours for almost all of the services DHS provides. Additionally, to access important information readily available in DHS IT systems, clients currently must come to a local office, call the local office, or have the information sent via the mail. These limitations in our current service delivery can be very burdensome, if not insurmountable, for working families, those without access to transportation, or for persons with disabilities.

- 2. Post-project description:** Citizens interested in finding out about or initiating services with DHS will be able to do so at their convenience via the Internet. This access can be available at home, work (where permitted), local libraries or potentially even at public kiosks.

For all DHS program areas, this proposal will:

- Make a great deal of information about services and program performance readily available, 24 hours a day
- Make available on-line all forms that customers need to request or use DHS services
- Where permitted by State or Federal law, make applications available for completion and submittal on-line
- Save mailing, re-keying and processing time for forms submitted

Program-specific initiatives in this proposal include:

- Internet access to child support payment information
- Internet application to allow child support customers to calculate their own support awards
- Child support status updates provided via Internet e-mail
- Automatic deposit for payments to foster and adoptive parents
- EBT technology for daycare users and providers
- Staff contact directory and support for TANF and food stamp clients

The Governor's vision for Iowa is to make all government services more accessible and to make all sectors of government more accountable. The development of E-commerce plays a critical role in making this vision a reality. E-commerce will greatly reduce the "overhead" some citizens experience when attempting to do business with DHS. This evolution in service delivery will provide enhanced services to citizens, improve the work processes for state staff and will align state government with the availability and mode of services provided by the business community. The DHS state dollar investment in E-commerce is eligible for an average 50% federal match.

3. **Summary of Stakeholders:** Stakeholders for E-commerce in DHS are: customers, state staff, public and not-for-profit organizations, and vendors providing e-commerce services.

Customers are the most positively impacted by e-commerce as it opens up entirely new and more convenient ways in which to conduct business with the state.

State staff are positively impacted through the huge reduction in processing paper (some studies have shown that the complete cost of processing a paper document is \$160 versus \$5 for an electronic form).

Public interest groups and community-based service providers will have much easier access to information about the programs that serve their constituencies and can use this information to better serve "shared" customers.

Vendors will be positively impacted (as will the state) by the ability to share and use their expertise to co-develop sound e-commerce solutions.

SECTION 2: PROJECT PLAN

1. Agency Information

Project Executive Sponsor Responsibilities:

Steve Mosena, Administrator for the Division of Data Management
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Organization Skills: For DHS, a team dedicated 100% to e-commerce will need to be formed. This team must include both state staff and temporary consulting staff. As part of the team, state and consulting staff must work closely to implement the Governor's vision and accurately determine and meet

consumer needs. State staff will have the business knowledge to manage the overall project and will use consultant services to develop some of the technical applications.

Listed below are the roles and responsibilities recommended for development of E-commerce in DHS.

The main emphasis is not necessarily on the roles, but on the responsibilities involved in an overall E-commerce project. Some of the responsibilities may need to be assigned to more than one staff person. Also, the corresponding responsibilities for each skill indicated may not necessarily be a complete list. Responsibilities may vary as the project continues to move forward.

Project Manager (State Staff)

Any person who is directly responsible for the daily conduct of the project, deliverables, timeframes and for resolving issues.

Responsibilities:

- Defines and plans the project
- Has overall responsibility for e-commerce initiatives in DHS
- Coordinates Enterprise efforts with ITD
- Provides estimates of costs, benefits, schedules
- Obtains necessary deliverable approvals
- Produces/ensures production of deliverables
- Ensures appropriate staffing
- Coordinates activities of project participants
- Reports project status to user and I.T. management
- Ensures standards are adhered to
- Provides first level resolution of issues
- Controls project plan
- Manages and controls changes to scope
- Manages and controls changes to deliverables
- Acts as a quality reviewer throughout the project
- Has 100% of time dedicated to the project
- Makes recommendations on ways to improve E-commerce development

User (DHS Staff)

A person or organization who uses an application by entering, updating or retrieving information.

Responsibilities:

- Identifies E-commerce needs
- Responsible for determining access/security
- Validates the quality and accuracy of specific E-commerce initiatives
- Evaluates front-end tools

Consumer/User Liaison (DHS Staff)

A person who is designated by a program and/or service area to represent that area in development and support activities. This person must know the consumer community and be familiar with how they want to use E-commerce to improve service delivery. The Liaison must also have the authority to make on-the-spot decisions on business rules.

Responsibilities:

- Gathers requirements from the public/consumers
- Helps with project planning, determining deliverables and establishing time frames
- Identifies inconsistencies and processes to resolve the inconsistencies
- Resolves issues between users/IT/consumers
- Escalates business issues to business management

- Identifies priorities for implementation
- Communicates new requirements to I.T.
- Performs acceptance testing

System Analysts and Developers (DHS I.T. Staff/Temporary Contract Staff)

Person responsible for the definition and analysis of user requirements, the design of application processes, and the coding of programs.

Responsibilities:

- Analyzes requirements
- Assesses current system data
- Develops program specifications
- Codes and unit tests programs
- Helps in defining technical solutions to consumer needs
- Coordinates project models with enterprise model
- Keeps models current
- Reviews design specs
- Conducts modeling sessions
- Ensures quality and integrity of data
- Works with ITD to ensure compliance with enterprise standards
- Writes and enforces standards
- Provides internal support to programmers

Technical Support (ITD/DHS Staff)

People responsible for configuration and capacity planning, performance monitoring, support for hardware, system software, and network.

Responsibilities:

- Helps establish the technical architecture and ensures adherence to enterprise standards
- Provides support for hardware & software platforms
- Provides support with development tools
- Investigates new technologies
- Integrates new software
- Develops capacity plans for hardware
- Monitors system software
- Develops contingency plans
- Monitors adherence to service level agreements
- Recommends approaches to network connectivity
- Recommends security protocols
- Manages installation and maintenance of hardware and software

Maintenance and User Support/Help Desk (ITD/DHS Staff)

Staff who, in the future, must fix, enhance, perform impact analysis, and answer questions about E-commerce applications.

Responsibilities:

- Maintains E-commerce applications in production
- Performs impact analysis for changes
- Monitors performance of user queries
- Determines training requirements
- Provides help desk support

2. Project Information

Mission, Goals, Objectives:

A. Expectations: E-commerce is a key component to the Governor's and DHS's initiative to make state government more accessible and more accountable. The Governor has established an expectation that all agencies will be "Total E by 2003". Further, our department director has created an action plan to improve service delivery across the agency. E-commerce will allow many of DHS's services to be quicker and more convenient.

B. Measures: E-commerce is no longer a theory, a promise, or cutting edge technology. It is the way that most business will be conducted in the future. The public has clearly demanded it as evidenced by the exponential growth in PC sales and Internet usage. We have the benefit of past and current E-commerce development in the private sector and in many public sectors organizations that inform us about the types of E-commerce applications that are needed, valuable, and effective.

Measures of a successful E-commerce implementation include:

- Trending volume of e-commerce initiatives vs. current method(s) of service delivery
- Speed at which E-commerce business is conducted vs. current method(s) of service delivery
- Trending increase/decrease in number of customers served
- Trending staffing costs
- Customer satisfaction surveys
- Anecdotal feedback from customers

C. Environment: Much of the input DHS will receive for the development of E-commerce will come from the Governor's vision, the Iowa Technology Department (ITD) work plan, and from knowledge already gained through statewide public forums held in 1999, customer surveys, and direct discussions with DHS customers and staff. One of the main themes expressed in those forums was the expectation for DHS to make information and services available 24 hours a day, seven days a week.

A major advantage to this initiative is that the development will occur across the entire state enterprise. We all have a great opportunity to share learning and to coordinate and integrate our individual E-commerce initiatives to the best overall design.

D. Project Management and Risk Mitigation: The most important aspects of project management are executive level buy-in, adequate resources, and properly-skilled project managers. We firmly believe we have buy-in from the Director on down for this project. Further, state and existing contract staff are excited about the opportunities for this new type of development.

We also believe we have requested adequate financial resources to meet our needs for SFYs 2002-3. We have a number of skilled project managers in DHS and with the large number of consulting firms available that have proven success in implementing E-commerce initiatives, we firmly believe we will construct an effective development team.

The expertise referenced above will help to mitigate the following types of risks especially associated with E-commerce initiatives:

Project Creep and Lack in Understanding Needs– The temptation to move every service all at once to E-commerce will need to be managed. As referenced in an earlier section, DHS has held public forums to discuss with the public and with partner organizations the most important expectations for DHS. Having this information greatly helps us to link which E-commerce initiatives are most critical to and most important in achieving those expectations.

Inadequate Resources – One of our advantages is the robust nature of our IT network and many of our existing computer systems. We have a well established infrastructure in place and therefore have ready availability of the data necessary to conduct E-commerce. Further, we have a number of e-commerce initiatives currently in place, including electronic invoicing for child welfare providers and electronic benefits transfer for food stamps. Therefore, we don't have a huge resource need for establishing the systems that will support E-commerce.

Inadequate Coordination/partnering with ITD – A project of this size and with such a heavy focus on information technology across the enterprise requires excellent communication and organization among the various agencies and ITD. For DHS (or any other agency) to be successful, ITD will need to have adequate resources and commitment to help guide and support this work.

- E. Security / Data Integrity / Data Accuracy / Information Privacy:** Due to the sensitive nature of much of our data, security and confidentiality are very important considerations for our E-commerce applications.

A significant portion of the information we will make available on the Internet will consist of public records (i.e. child support payment records, publicly-used forms, policies and procedures), so security of the information will not be an issue. For information that does need to be secured, a number of products and technologies exist in the marketplace to provide the best protection possible for our consumers and our host systems. Our Iowa Technology Department (ITD) is developing the capacity for PKI and we have an enterprise-wide security resource in ITD to help ensure we have adequate protections in place. Additionally, DHS has experience in launching secured Internet applications (our Child Support Employer Reporting Database) that can be applied to future initiatives.

3. Current Technology Environment (Describe the following):

A. Software (Client Side / Server Side / Midrange / Mainframe)

Client/Server – Microsoft suite of products including but not limited to WORD, ACCESS, Powerpoint, EXCEL, NT 4.0 (service pack 6A), Visual Basic 6.0, SQL 6.5, SQL 7.0, IIS 4.0, Microsoft Exchange 5.5, Outlook '98, Internet Explorer 4.2

Midrange – UNIX AIX (at the institutions)

Mainframe – IBM products including but not limited to: TSO, CICS, PanValet, etc.

CA products including but not limited to: IDMS, Culprit, etc.

SyncSort

VSAM

COBOL

B. Hardware (Client Side / Server Side / Mid-range / Mainframe):

Client/Server – 6,000 desktops (Pentium II minimum – various brands), 140 NT file and print Sharing servers, 7 SQL servers, 5 Exchange servers, 2 UNIX servers (for back-ups)

Midrange – 7 Escala servers

Mainframe – IDM 9672R45, OS390, JES3

4. Proposed Environment (Describe the following):

A. Software (Client Side / Server side / Mid-range / Mainframe)

Unknown at this time – awaiting Enterprise decisions on standards and group purchasing

B. Hardware (Client Side / Server Side / Mid-range / Mainframe)

Unknown at this time – awaiting Enterprise decisions on standards and group purchasing

Data Elements:

Creation of new databases not anticipated at this point in time

Project Schedule:

Time	Task	Responsibility
July, 2001	Hire staff, contractors, develop initial priority plan	ES, PM, CL, US,
October, 2001	Initiate Systems Analysis	PM, CL, US, TS
June, 2002	Initiate Coding	PM, SA
July, 2003	Initiate Testing and User Acceptance	ES, PM, CL, US, SA, TS
October, 2003	Phase-in Implementation of '02 E-commerce	ES, PM, CL, US, SA, TS

ES=Exec Sponsor PM=Proj Manager CL=Consumer/User Liaison US=User SA=Systems Analyst/Programmer TS=Tech Support

Note: This project schedule reflects high level planning as the specific tasks and timeframes are dependent upon further direction from Governor's office/ITD and ongoing discussions with DHS customers and business partners.

SECTION 3: Return On Investment (ROI) Financial Analysis

Project Budget:

Provide the estimated project cost by expense category.

Personnel	\$153,073
Software	\$
Hardware.....	\$28,750
Training	\$
Facilities	\$53,430
Professional Services.....	\$827,544
Supplies	\$
Other (Specify).....	\$
Total.....	\$1,062,797

Project Funding:

Provide the estimated project cost by funding source.

State Funds.....	\$1,062,797	50	% of total cost
Federal Funds.....	\$1,062,797	50*	% of total cost
Local Gov. Funds.....	\$		% of total cost
Private Funds.....	\$		% of total cost
Other Funds (Specify).....	\$		% of total cost
Total Cost:	\$2,125,594	100	% of total cost

* The federal match for some program areas will be as high as 66%

How much of the cost would be incurred by your agency
from normal operating budgets (staff, equipment, etc.)? \$ 0 0 %

How much of the cost would be paid by "requested IT project funding"? .. \$1,062,797
50 %

Provide the estimated project cost by fiscal year: FY 02 \$1,062,797
FY 03 \$1,062,797
FY _____ \$ _____

ROI Financial Worksheet

Annual Pre-Project Cost - How You Perform The Function(s) Now

FTE Cost (salary plus benefits):	\$96,000
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$18,000
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$332,716
A. Total Annual Pre-Project Cost:	\$446,716

Annual Post-Project Cost – How You Propose to Perform the Function(s)

FTE Cost:	0
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$11,833
B. Total Annual Post-Project Cost:	\$11,833
State Government Benefit (= A-B):	\$434,833
Annual Benefit Summary	
State Government Benefit:	\$434,833
Citizen Benefit (including quantifiable “hidden taxes”):	\$157,221
Opportunity Value and Risk/Loss Avoidance Benefit:	\$1,062,797*
C. Total Annual Project Benefit:	\$1,654,851
D. Total Annual Project Cost:	\$1,062,797
Benefit / Cost Ratio (C / D):	<u>1.56</u>
ROI (C – D / Project Funds Requested):	<u>.55</u> %

☐ **Benefits Not Cost Related or Quantifiable (including non-quantifiable “hidden taxes”)**

- Service initiation more convenient to clients and the public
- Greatly improved dissemination of program information and performance
- Much easier/quicker access to forms
- Improved customer satisfaction
- Aligns with Governor’s and DHS Director’s vision
- Aligns with ITD expectations/standards
- Brings state government more closely in alignment with private sector business protocols